



COUNCILMEMBER DONNA FRYE

City of San Diego
Sixth District

MEMORANDUM

DATE: July 27, 2010

TO: Council President, Ben Hueso

FROM: Councilmember Donna Frye

SUBJECT: Revenue and Reform Ballot Measure

Composing a package of financial reforms and new revenue is crucial to the health of our city. We cannot achieve financial stability through only producing new revenue or only through reforms- they must be done in concert with each other. The proposed ballot measure would authorize a ½ cent sales tax for five years linked with various financial reform performance measures most of which must be met by November 2012. If by November 2012 the established reform measures have not been reached, the sales tax increase would be automatically repealed. The following represents a balanced package of reform measures that, when combined with increased revenue, will allow our city to finally fix the ongoing budget deficits

- 1) **TEMPORARY SALES TAX.** A temporary ½% sales tax to finance essential City general services for a period of five years shall be placed on the November 2010 ballot to become effective _____
- 2) **TAX PURPOSE.** The ballot title and summary prepared by the City Attorney shall list at least the four largest services funded through the General Fund.

REFORM MEASURES

1. Eliminate Terminal Leave for all Employees

Terminal leave will be eliminated for all city employees.

2. Eliminate Employee Pick up

The City shall no longer pick up any portion of employee pension contributions.

3. Get out of the Business of the Landfill if it saves money

The City shall solicit proposals from qualified bidders to take over the operations of the City's landfill. A qualified bidder will be selected if the bid saves the City money.

4. Competitively Bid the Remaining IT services

The City shall solicit proposals from qualified bidders to take over the operations of the City's IT services. The lowest responsible bidder will be selected.

5. Begin Implementation of Manage Competition

SDMEA and AFSCME 127 shall reach an agreement with the City on a Managed Competition guide by December 1, 2010. At the sole discretion of the Mayor, the City may initiate competitions for solid waste collection, print shop and publishing services, auto and fleet maintenance, landscaping, and facilities operations and maintenance.

6. Drop Neutrality Study

The City will complete the drop neutrality study and present its findings to the City Council no later than January 2011.

7. Fire Pension

Local union #145 will agree to, subject to meet and confer, establish a second tier pension plan comparable to the POA for new hires after July 1, 2011.

8. 401(k) Pension

The City will establish a Tier 3 defined contribution pension plan, subject to IRS approval, if necessary, which may include an employer match, and will result in greater savings to the City than the current Tier 2 pension plans.

9. Retiree Health

All City employee representative units shall bargain in good faith to reduce the City's future unfunded retiree health liability.

If not specified above, all items shall be completed no later than November 2012 or this Sales Tax increase is automatically repealed.

CC: Honorable City Councilmembers
Honorable Mayor Jerry Sanders
Andrea Tevlin, IBA
Jan Goldsmith, City Attorney
Jay Goldstone, COO